

# Workforce News



A quarterly publication of the Department of Workforce Services: issued June 2009

**Southeast Utah: Carbon, Emery, Grand, San Juan**

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## Economic Contraction



### Inside:

- › **Carbon:** Effects of the recession were being felt by many service industries in the 4th quarter.
- › **Emery:** Lost 386 jobs from December 2007 to December 2008.
- › **Grand:** Unemployment has averaged eight percent in the 1st quarter of 2009.
- › **San Juan:** Manufacturers had 82 fewer jobs in December 2008 than a year ago.

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The present economic contraction in Utah is being felt by most industries in the southeastern counties, with the important exception of the mining industry. The labor market is now characterized by increasing unemployment and year-over nonfarm job losses, as the economy contracts across the majority of major industrial sectors.

Overall in 2008, the average annual number of payroll jobs grew by 330 to 22,388—an increase of 1.5 percent. This performance is overstated by about 150 jobs, as some mining jobs were misattributed in 2007 to Uintah County and were added to Carbon County in 2008. So they were not new job growth, but just a data housekeeping correction.

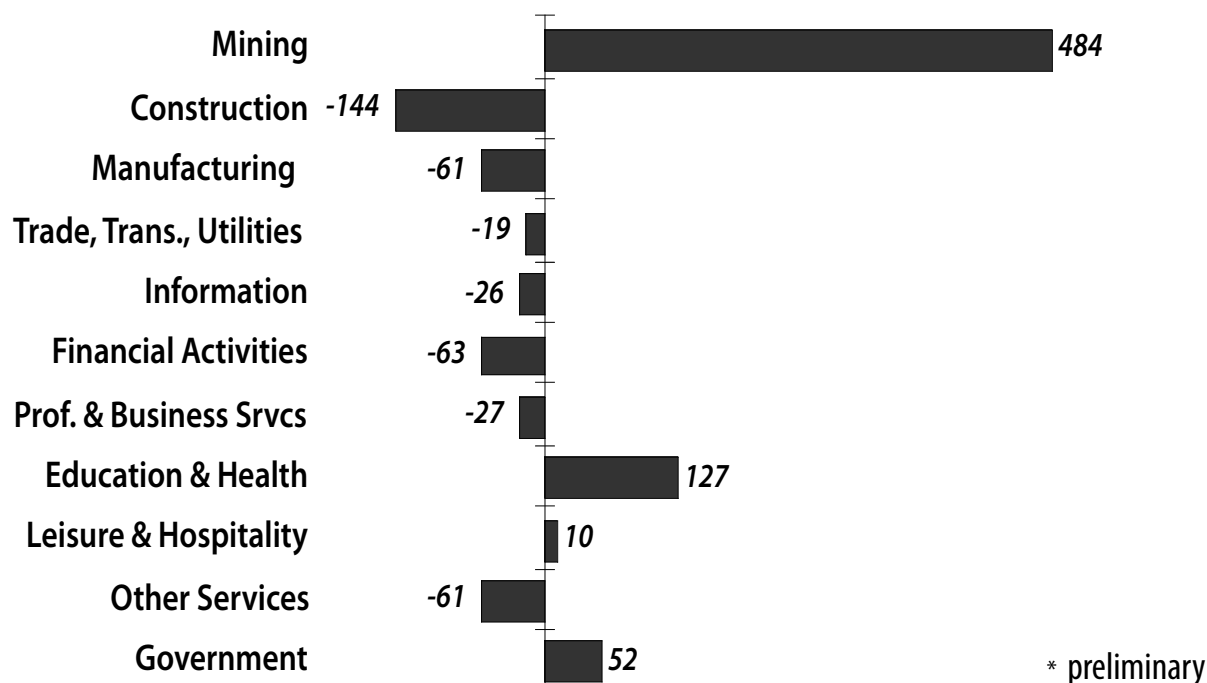
The robust economic expansion of 2005 and 2006 gradually slowed during 2007 and through the first half of 2008 in the southeastern counties. At the beginning of 2008, jobs were increasing on a year-over basis by

*(continued)*

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## Economic Contraction (continued)

### Southeastern Counties Change in Nonfarm Jobs: Dec. 2007 to Dec. 2008\*



**Total Change in Nonfarm Jobs: 272.**

Source: Utah Department of Workforce Services.

about 2.1 percent, with this rate gradually declining to virtually no new jobs by midsummer.

Year-over job losses were recorded by most major industries in the second half of the year. In December there were 272 more jobs (overstated by about 150) than in December of 2007, an increase of 1.3 percent.

The level of unemployment has increased from an annual average rate of 4.3 percent in 2007 to average 4.8 percent in 2008. By March of 2009 the seasonally adjusted unemployment rate had increased to 6.6

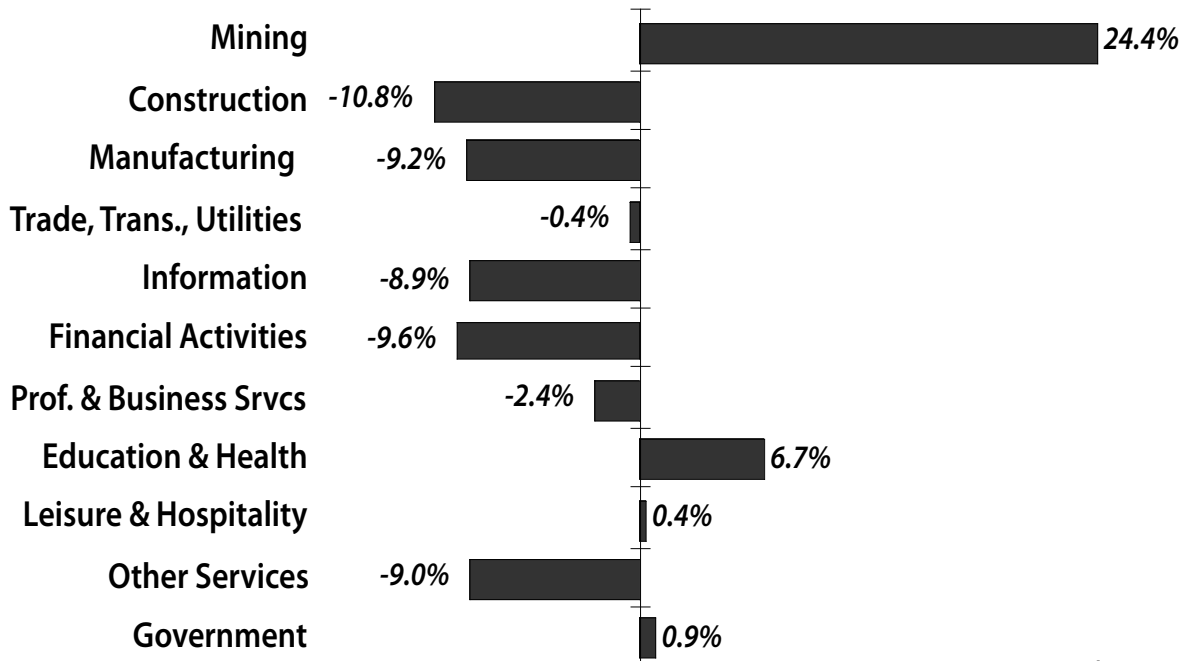
percent. There were an estimated 1,727 residents unemployed in March 2009 compared to 1,190 in March of 2008. In 2007, employers who had found it difficult to fully staff their enterprises are now finding the labor supply relatively abundant.

The bursting of the national and local housing bubbles, with sharp declines in construction jobs, has primarily driven the current recession. Construction job losses on a year-over basis became apparent by the second quarter of 2008, and became more severe during the

(continued)

## Economic Contraction (continued)

### Southeastern Counties Percent Change in Nonfarm Jobs: Dec. 2007 to Dec. 2008\*



\* preliminary

**Percent Change in Total Nonfarm Jobs: 1.3%.**

Source: Utah Department of Workforce Services.

remainder of the year. By December 2008 there were 144 fewer construction jobs, or a decline of 10.8 percent compared to the year before. Industries related to home construction—real estate and finance—saw their business deteriorate along with the home construction collapse.

Finally, with the national financial meltdown, most industries were shedding jobs in the fourth quarter of 2008 except for healthcare, education, government and mining. Without the significant number of new mining

jobs, the southeastern counties' job losses by industry look very much as they do along the Wasatch Front.

The labor market outlook for 2009 continues to be contractionary through the first five or six months of this year. Job losses are continuing, but at a slower rate. Unemployment will likely continue to increase. With help from national and state stimulus efforts and with the natural propensity of the state to grow and expand, business and employment should stop contracting by the end of summer. **WFN**

# County News

## Carbon County:

Employment moderated during the fourth quarter of 2008 as the effects of the recession were being felt. Overall, job growth was a relatively healthy 7.4 percent in December compared to the year before with about 675 more jobs. Mining employment by December was still up by about 540 jobs compared to a year earlier. (However, some of this increase is due to a data correction and not reflective of economic activity.) Other goods-producing industries showed job gains; construction increasing by 51 and manufacturing by 33. This is very much unlike most counties in the state. Among the service-producing industries, most were shedding some jobs in the fourth quarter of 2008 with the exceptions of healthcare, education, and local government. While unemployment held steady between 4 to 5 percent through 2008, it had increased to 5.9 percent by March 2009.

## Emery County:

Job losses were recorded in goods-producing and service-producing industries alike in Emery County during the fourth quarter of 2008. A total of 260 jobs were shed by the mining industry by December 2008, relative to 12 months earlier. There was a decline of 95 jobs in professional and business services. Most other industries also declined in employment with the exceptions of government (plus 34 jobs), leisure and hospitality (plus 24 jobs), and healthcare (plus 10 jobs). Overall, Emery County lost 386 jobs from December 2007 to December 2008. Unemployment remained very steady during 2008 between 3.5 to 4 percent, taking an uptick recently to 5.1 percent in March 2009.

## Grand County:

Job growth went from positive to negative from third to fourth quarter 2008, from year-over job gains of about 107 to year-over job losses of about 71. About six major industries recorded significant job changes in December compared to the previous year: healthcare (plus 33), federal government (plus 22), professional and business services (plus 13), other services (plus 12), construction (minus 78) and financial activities (minus 77). The unemployment rate fluctuated between 5 and 6 percent for most of 2008 until November, when the seasonally adjusted rate began to increase, reaching around 8 percent during the first quarter of 2009.

## San Juan County:

The economy in San Juan County took a turn for the worse at year's end, as did the state economy. Significant year-over job losses in December 2008 occurred in manufacturing (minus 82), construction (minus 67), and local government (minus 46). Job gains were registered in mining (plus 38), healthcare (plus 38), and professional and business services (plus 33). Overall, there were 89 jobs lost in December compared to December 2007, a decline of 2.1 percent. With the recession and job losses in the fourth quarter, unemployment increased from the six percent range during the first nine months of 2008 to 8.2 percent by March of 2009. **WFN**

For more employment information about your county go to: <http://jobs.utah.gov/countyinfo>.

## What's Up?

The Obama administration decided to use a big chunk of the economic stimulus package to accelerate removal of the **Atlas** uranium mill tailings near **Moab**. Energy Secretary Steven Chu announced allocating \$108 million to the Moab project. The announcement by Chu said the extra money for Moab will allow disposal of "an additional two million tons of mill tailings by 2011 (the end of the current five-year contract), accelerating the site cleanup by several years."

—*Deseret News*

Recent budget cuts have taken a disproportionate toll on the **College of Eastern Utah**, which relies on the state for nearly 90 percent of its operating budget. That fact, plus anticipated enrollment declines, is clouding the future of the state's oldest community college. William Sederburg, Utah's commissioner of higher education, has tapped former CEU president Michael Petersen, now

executive director of the Utah Education Network, to look for ways to bolster the school. Petersen will deliver his findings to the Board of Regents on May 29.

—*Salt Lake Tribune*

Despite economic doom and gloom, a steadily growing number of tourists are making **San Juan County** their destination of choice. San Juan County tourism numbers were up 27 percent in 2008, including a strong 31-percent increase in the fourth quarter. This is remarkable considering the general economic conditions, according to San Juan County Tourism Director Charlie DeLorme. "The first quarter of 2009 is fairly flat, but there is no downturn," said DeLorme. "In light of all the doom and gloom in the economy, I feel very encouraged."

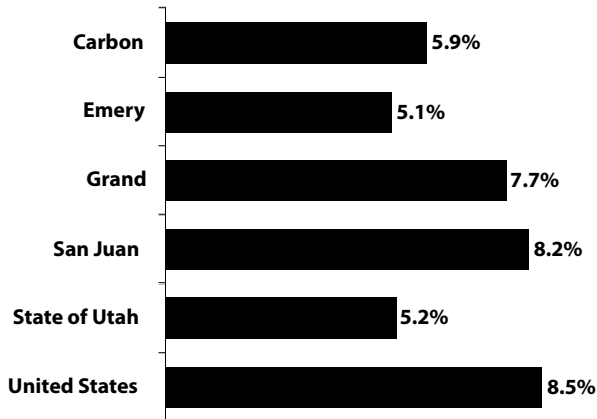
—*San Juan Record*



**Southeast Utah: Carbon, Emery, Grand, San Juan**

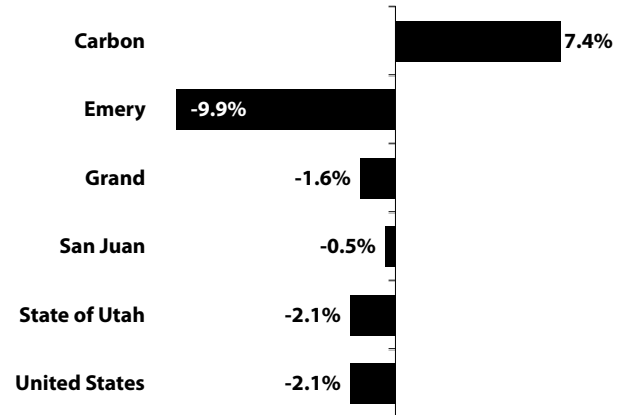
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**Seasonally Adjusted Unemployment Rates  
March 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs  
December 2007 to December 2008**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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